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**DHL AIRWAYS MASTER EXECUTIVE COUNCIL
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL**

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January 10, 2003

The Honorable Norman Mineta
Secretary
Department of Transportation
400 Seventh Street, SW
Washington, D.C. 20590
Subject: Citizenship and Control of DHL Airways

Dear Mr. Secretary, *DST - 2002 - 13089 - 19*

The purpose of this letter is to address the complaints filed by United Parcel Service (UPS) and FedEx in which they continue to question the citizenship and control of DHL Airways. Although as the Master Executive Council Chairman I am writing specifically on behalf of DHL's 500 pilots and our families, I am certain that the other 500 plus DHL employees share our concern and our viewpoint.

Mr. Secretary the decision that will soon be made by the Department of Transportation carries with it the potential to dramatically impact our lives. Therefore, myself as a husband, the father of three young children, a nineteen year employee of DHL Airways, and as a four term (8 years) MEC Chairman; the outcome of this issue is of monumental importance. With our careers, our livelihoods, and our families futures hanging in the balance I felt compelled to do all that I could do to educate myself on the law, the issues, the questions, and the positions that are being advocated by all parties. Now I would like to share with you my thoughts, and our feelings, relative to the DOT's pending decision.

To begin it seems to me that there are three components governing the DOT's decision; (1) Is DHL Airways in compliance with respect to the laws governing foreign ownership and control? (2) What criteria does the DOT use to determine when a complaint becomes harassment? Lastly, what struck me as I read the reams of documents and letters that had been placed on file with the DOT was the missing human concern for any of the several hundred US citizens and their families, employed by DHL Airways. What was particularly poignant for me, and all of the other 500 union pilots flying for DHL, was that other unions, who clearly were only taking their queue from some outside source (I suspect UPS) have written letters to the DOT asking the DOT to shut down our airline. Disturbingly these letters contained pretty much the same words, in largely the same order. In other words, it certainly would seem that there was little research done by the writers and I doubt very seriously if any of them even understand the issue or the circumstances.

The legal aspect: In the purest sense the essence of foreign ownership and control is measured and determined through the application of the following criteria: ownership percentages, Board composition (control), and the citizenship of certain owners and officers. Interestingly, using these legal guidelines DHL Airways is unquestionably, undeniably a U.S owned and controlled

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airline. Our principal owner, Mr. William Robinson is a U.S. Citizen. The Chairman of the Board, Mr. Roy Moulton is a U.S. citizen. Our first CEO, Mr. Joe O'Gorman (deceased), a well-respected and highly experienced airline executive, was a U.S. Citizen. We have our own staff of corporate officers who are all US citizens. To my knowledge, all of DHL Airways pilots and employees are also U.S. citizens.

Disturbingly, though, it seems that both UPS and FedEx want the DOT to go far beyond the application of the law. Actually, from this layman's point of view, it appears that UPS and FedEx are questioning either the competence or the ethics (or both) of the DOT. I say this because neither company seems to want to accept the DOT's internal review, nor its prior ruling on this very same issue. Instead, under the guise of "new evidence" they both continue to ask that an Administrative Law Judge conduct a public review.

Anecdotally, while UPS and FedEx may attempt to use the fact that we have a long term ACMI agreement with DHL Worldwide Express as an example of reliance, thereby control by DHLWWE, nothing could be further from the truth. I know for a fact that one of Mr. O'Gorman's highest priorities was to build a larger customer base—and he was not doing it for show. As the MEC Chairman I had many discussions with him concerning this very subject. From my perspective, this was a thrilling opportunity for our pilots. We not only wanted our freedom and independence, more importantly we wanted the opportunity to grow the airline; thereby increasing our own opportunities and enhancing our own job security. For us, being tied to one customer, albeit through a long-term agreement, was a point of concern. It also was limiting our flying to primarily domestic destinations. In the same vein, and as is evidenced by the struggles of the airline industry, we felt like hitching our careers to the success (or failure) of one customer was not smart business. At the time of Joe O'Gorman's untimely and very tragic death, he was hard at work on expanding our customer base as well as developing a new and long term fleet plan for the airline. He knew, and he shared with me on more than one occasion that the airlines ability to afford new aircraft was contingent upon our own self generated cash flow and balance sheet. These things all tell me that DHL Airways was not only operated and controlled by U.S. citizens, it was incumbent upon the airline to take care of our own growth and financial needs. In other words DHLWWE neither controls us nor are we attached through some sort of life saving umbilical cord...our success or failure is clearly ours to manage.

Complaint or Harassment: Although as an employee, one with a very vested interest in the outcome of the DOT's decision, I may struggle to be totally objective, it none-the-less appears to me that UPS and FedEx want to use the DOT to do one of the following two things. (1) Harm, or better yet, eliminate some of its competition by having the DOT shut down the airline that DHL International has contracted to carry its US domestic material, or (2) Gain greater commercial knowledge about DHL by conducting a public review. In either case what they are doing is disingenuous.

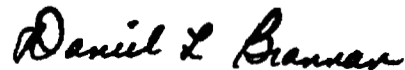
And this leads me to ask the following question; what criteria does the DOT use to determine when a complaint becomes harassment? After reading all of the material associated with this issue and reading the DOT's previous determination, it just seems to me that they will go on and on and on, doing everything they can to cause the DOT and DHL Airways to use time and resources responding unnecessarily. While I understand that UPS and FedEx have deep pockets, DHL Airways does not. We aren't even big enough to be called a fraction of their size, which to me illustrates the classic example of the 800-pound gorilla using its size and influence to destroy an airline, which even by their own admission does not compete against them. When will the DOT call foul?

The Human Interest Factor: For the several hundred employees that do work for DHL Airways, when giant corporations such as UPS and FedEx want to shut down our airline, thereby putting all of us on the street—this is up close and personal. Many of us have been flying and working for DHL Airways for 15-20-25 years. In my case I just turned 55 years old, and as I have already said I have a family and young children (I got a late start in life), therefore shutting down DHL Airways is quite an emotional thought for me. Although I used my self as a personal example, the fact is there are 500 other DHL pilots who also have families. To us the ruling made by the DOT can do one of two things. First we can return to our normal routines and get back to the business of flying airplanes, or two we can all find ourselves on the street joining thousands of other furloughed airline pilots.

In closing we completely understand that the DOT's responsibility is to the law, and that this ruling will have to be well founded in the law. To that end we feel like the DOT will have no choice but to dismiss the complaints that have been levied by UPS and FedEx, accompanied by an order that finally puts this issue behind us. On the other hand, and I hope you will understand, until that happens the employees of DHL Airways are concerned when such powerful companies as UPS and FedEx target a small company such as ours—who knows what can happen?

On behalf of the pilots and other employees of DHL Airways, we urge you to act quickly and dismiss these unfounded complaints.

Respectfully,



Capt. Daniel L. Brannan
MEC Chairman DHL/ALPA Council 17